



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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30 SEPTEMBER 1966

~~TOP SECRET~~

DAILY BRIEF
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1. Soviet Union

The forecast for Moscow's relations with Peking is cloudy and much, much colder. The Russians are developing an even tougher line on China and are planning against a possible break in relations--even though they probably do not intend to push matters that far themselves. The subject is discussed at Annex.

2. South Vietnam

Despite the considerable successes of US troops in the northernmost part of the country, it is clear that Communist forces there still have the capability to launch a major attack in the coming weeks.

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The Communists are also evidently planning new raids on US bases in the northern part of the country.

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3. Nigeria

The constitutional conference has recessed for two weeks. Lawlessness continues in many parts of the Northern Region and this could trigger a complete breakdown in the dialogue.

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4. Guatemala

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President Mendez Montenegro does not realize that his regime is in serious danger. In office now for three months, he cannot seem to get the ball rolling and he does not recognize that time is running out. He is still thinking of long-term reforms and is working cautiously and slowly toward them.

The military men, never happy over the president's moderately leftist views, are daily becoming more restive over his failure to act against the Communists. Some even suspect his motives.

For their part, the Communists expect a coup soon. A resulting rightist dictatorship would give them the kind of situation they think they could exploit. They seem to have made good use of the relative quiet of the past few months and are said to have considerably increased their store of weapons.

All this conjures up memories of the situation that prevailed in the Dominican Republic when Juan Bosch was president--a well-intentioned but ineffective president, a worried but disunited military leadership, and a well-organized extremist minority waiting to jump into the fray.

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5. Panama

The National Assembly convenes tomorrow to begin a new session that promises to be stormy--both inside and outside the assembly building. Extremist-led students have been active in recent days. They, and a group of city slum-dwellers, plan further demonstrations for the benefit of the legislators, who are notoriously susceptible to outside pressures.

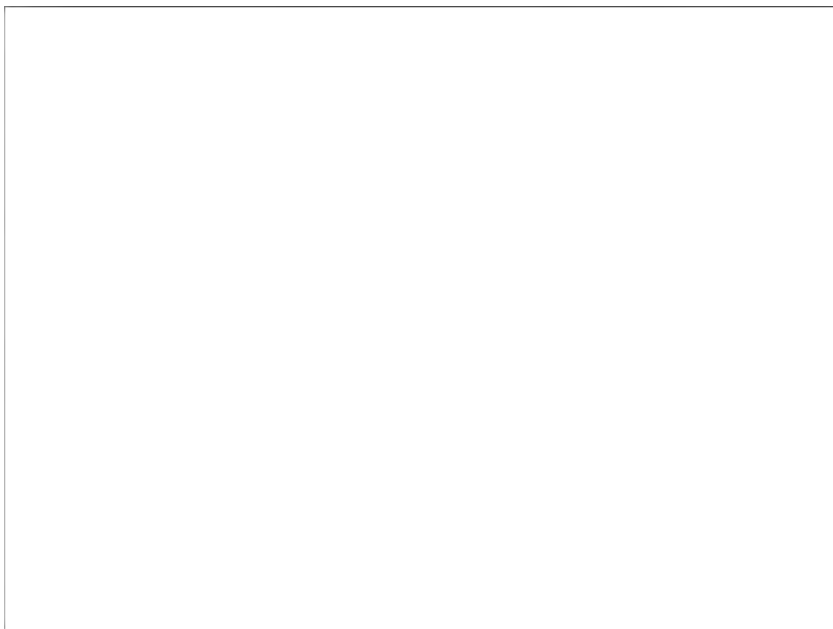
The security forces are likely to remain effective in mob control. But, as always in Panama, serious trouble could erupt with little warning.

mob

The biggest threat to the government over the coming months will come from Arnulfo Arias, still the only man in the country with a mass following. He is encouraging the agitation with the hope that it will weaken the Robles administration before the all-out confrontation he hopes to have next year over the canal treaty.

6. Communist China

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ANNEX

Sino-Soviet Relations

Moscow is developing a tougher line toward Peking and, not certain how things will go in China, may now be facing up to the possibility of a break.

When Red Guards held anti-Soviet demonstrations in the streets of Peking last month, the Moscow press dropped its holier-than-thou reserve. Now Peking's domestic policies are ridiculed and Russian propagandists delight in dreaming up irritations for the Chinese.

For example, the Soviets announced on Wednesday that they would celebrate the 100th anniversary of the birth of Sun Yat-sen who drove the Manchus from the throne of China in 1911. "Sun Yat-sen," commented Radio Moscow, "regarded the alliance with Russia as the only correct road for China."

The Soviets have been making a very considerable effort to persuade their Communist allies that they too should join the chorus against Peking.

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The best indication of Moscow's planning against a possible break in relations was the call the Soviet chargé in Laos paid on Premier Souvanna Phouma the other day.

Stating flatly that the Soviets wanted to avoid flying over China en route to Hanoi, the chargé asked Souvanna for permission to overfly Laos.

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For several years the Russians have been looking with some concern at their border with China and they have taken steps to strengthen their military defenses.

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The latest, and perhaps most interesting, Soviet move was a swing through Eastern Europe by the Soviet Party's First Secretary, Leonid Brezhnev, who talked with top leaders in Hungary, Bulgaria, and Yugoslavia.

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The rumors abound as to just what Brezhnev said.

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We believe it is quite probable that the Kremlin has considered [] a final break with Peking. But, barring some irrational maneuver on the part of the Chinese such as the sacking of the Soviet Embassy, we do not think Moscow will opt for a complete rupture. In the long run, the Russians would gain little more than psychological satisfaction and for this they would be taking some fairly considerable risks.

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For one thing, the Russians would find it very difficult to get the other Communist states to translate their propaganda support into concrete actions against China. Severe arm-twisting on this score could do irreparable damage to the Soviets in Eastern Europe, and they know it.

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An equally important factor the Soviets must consider is their support for North Vietnam. If all relations with Peking are broken, it would become impossible to ship equipment through China by rail--and this is the way most military supplies are going. Then the Russians would face the choice of either abandoning Hanoi, except for what little could be sent by air over circuitous routes, or of relying on shipment by sea. The last possibility would conjure up some unpleasant memories of the Cuban fiasco and of confrontation with the US.

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